

**Supporting Statement for the  
Request for Proposal and Request for Price Quotation  
(OMB No. 7100-1080)**

The Board of Governors of the Federal Reserve System, under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, without revision, the Request for Proposal (RFP) and Request for Price Quotations (RFPQ) (OMB No. 7100-0180). The Federal Reserve Board uses the RFP and the RFPQ as needed to obtain competitive proposals and contracts from approved vendors of goods and services. This information collection is required to obtain benefits and collects data on prices, specifications of goods and services, and qualifications of prospective vendors. Vendors are expected to submit 120 RFPs and 929 RFPQs per year. Total annual burden is estimated to be 7,858 hours. A sample copy of a procurement document is attached.

**Justification**

The RFP and the RFPQ collect information used in evaluating the competitive bids and contracts submitted by vendors (offerors). Depending upon the goods and services for which the Federal Reserve Board is seeking bids, the offeror is requested to provide either prices for providing the goods or services (RFPQ) or a document covering not only prices, but the means of performing a particular service and a description of the qualification of the staff of the offeror who will perform the service (RFP). The Federal Reserve uses this information to analyze the proposals and select the offer providing the best value.

**Description of Information Collection**

The Federal Reserve uses various resources in determining from whom to request a bid for providing a particular good or service. The Federal Reserve compiles "source lists" of approved vendors. There is a separate source list for each category of goods and services that the Federal Reserve Board requires in its operations. The Federal Reserve interviews vendors who express interest in doing business with the Federal Reserve Board, and adds to the source lists those vendors that prove to be satisfactory. In addition to source lists, the Federal Reserve uses the national *Thomas Register*, the internet, the yellow pages of the telephone book, and lists from other government agencies that have acquired similar goods or services.

In announcing either a Request for Proposal or a Request for Price Quotations, the Federal Reserve contacts, via postal mail, the internet, or telephone, vendors selected from the relevant source list. For the purchase of a simple, standard item, the Federal Reserve usually gathers prices over the telephone. For more complex goods and services, the Federal Reserve sends the RFP or RFPQ to vendors.

The RFP includes a cover letter and sections that describe

- the goods or services desired,
- how the Federal Reserve Board will evaluate the prospective offerors,
- how the Federal Reserve Board will evaluate the offers,

- solicitation instructions (how to prepare and submit the offer, including all deadlines),
- contract terms (work standards, inspections, work delays, work change orders, payment, taxes, and compliance with various small business and labor laws), and
- presentations and certifications offerors make on their own behalf.

This information allows the Federal Reserve to fairly and accurately assess the merits of offerors' proposals and to select the proposal most advantageous to the Federal Reserve Board, taking account of price and other factors.

The RFPQ describes the goods or services desired, may request a sample of the goods or services, and requests the price of the goods or services. The Federal Reserve uses the sample to evaluate the quality of the product, and thus is able to identify the offer that is most advantageous to the Federal Reserve Board.

### **Time Schedule for Information Collection**

When the Federal Reserve requests bids, prospective offerors are told when the product is needed or when the service is to be performed, and are given deadlines for inquiries concerning the RFP or RFPQ as well as for submitting offers. Also, the RFP or RFPQ specifies the date by which the Federal Reserve will award the contract. When the Federal Reserve has decided which contract to accept, all offerors are notified of the decision.

### **Legal Status**

The Board's Legal Division has determined that the RFP and RFPQ are required to obtain a benefit and are authorized by law (12 U.S.C. §§243, 244, and 248). The information obtained in evaluating a contract bid or price quotation is not regarded as confidential unless an offeror requests confidentiality by marking the cover sheet of the proposal with text specified in the Federal Reserve's RFP and by marking pages containing proprietary or otherwise confidential information with the label "RESTRICTED DATA."<sup>1</sup> A request for confidentiality is not sufficient; the Federal Reserve must review each request received under the Freedom of Information Act (FOIA; 5 U.S.C. §552) to determine if the information may be withheld pursuant to applicable FOIA exemptions.

### **Consultation Outside the Agency**

There has been no consultation outside the Federal Reserve System.

### **Estimate of Respondent Burden**

As shown in the table below, the current reporting burden for this information collection is estimated to be 7,858 hours per year, based on actual usage during the past three years. The

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1. See RFP (attached), General Instructions and Information, Proposal Submission, Section L.13, paragraph f.

approximate number of respondents has dropped in the last three years due to a streamlining of the purchase process for some low cost items. Examples of streamlined purchasing include on-line purchasing, purchase contracts that set a specified price for a specified time frame, and use of Federal Reserve Board credit card. The total estimated annual burden represents less than 1 percent of total Federal Reserve System reporting burden.

	<i>Approximate number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
RFP	120	1	50.0	6,000
RFPQ	929	1	2.0	<u>1,858</u>
<i>total</i>				7,858

Based on a rate of \$20 per hour, the estimated current annual cost to the public of collecting this information is \$157,160.

### **Sensitive Questions**

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

### **Estimate of Cost to the Federal Reserve Board**

The total annual cost to the Federal Reserve Board for obtaining and evaluating the RFPs and RFPQs is estimated to be \$1,032,000. This cost is a combination of 75 percent of the cost of staffing the Procurement Function plus labor costs of technical staff in other Board functional areas who prepare statements of work and related requirements documents.